



# 2021 STATE OF MICHIGAN FLEET PLAN

Required by Section 813(3) of Act 56 of 2019

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Prepared for  
Senate Appropriations Subcommittee on  
General Government  
House Appropriations Subcommittee on  
General Government  
Senate Fiscal Agency  
House Fiscal Agency

Department of Technology, Management & Budget  
Office of Support Services, Vehicle and Travel Services  
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## **EXECUTIVE SUMMARY**

Section 813(3) of Public Act 56 of 2019 requires the Department of Technology, Management & Budget (DTMB) to submit a fleet plan to the legislature within 60 days of the end of the fiscal year.

This report summarizes information at the statewide level, including a fleet inventory as of September 30, 2020, and actions taken to maximize the value of state fleet operations. The Department of Technology, Management & Budget will continue to work with the legislature to meet the mutual goals of efficiently managing the statewide fleet and controlling expenditures.

Additional information regarding fleet operations is available from the Department. Please contact Sherri Irwin, Director, Fleet Operations with specific information requests.

## **OVERVIEW**

Section 813(3) of Public Act 56 of 2019 requires the Department of Technology, Management & Budget (DTMB) to submit a fleet plan to the legislature:

(3) Pursuant to the MDTMB's authority under sections 213 and 215 of the management and budget act, 1984 PA 431, MCL 18.1213 and 18.1215, the MDTMB shall maintain a plan regarding the operation of the motor vehicle fleet. The plan shall include the number of vehicles assigned to, or authorized for use by, state departments and agencies, efforts to reduce travel expenditures, the number of cars in the motor vehicle fleet, the number of miles driven by fleet vehicles, and the number of gallons of fuel consumed by fleet vehicles. The plan shall include a calculation of the amount of state motor vehicle fuel taxes that would have been incurred by fleet vehicles if fleet vehicles were required by law to pay motor fuel taxes. The plan shall include a description of fleet garage operations, the goods sold and services provided by the fleet garage, the cost to operate the fleet garage, the number of fleet garage locations, and the number of employees assigned to each fleet garage. The plan may be adjusted during the fiscal year based on needs and cost savings to achieve the maximum value and efficiency from the state motor fleet. Within 60 days after the close of the fiscal year, the MDTMB shall provide a report to the senate and house of representatives standing committees on appropriations, the chairpersons of the relevant appropriations subcommittees, the senate and house fiscal agencies, and the state budget director detailing the current plan and changes made to the plan during the fiscal year. The plan shall also be posted on the department website.

Under sections 213 and 215 of the Management and Budget Act (P.A. 431 of 1984 as amended), DTMB is authorized to issue directives relative to all motor vehicles except for those motor vehicles under the jurisdiction of the Michigan Department of Transportation (MDOT). DTMB provides these centralized services to state agencies through its organizational unit, Vehicle and Travel Services (VTS). MDOT leases some passenger vehicles and work trucks through VTS; however, maintains its own agency-owned fleet and garage operations. Information on MDOT's garage operations is not included due to MDOT's separate legislative authorization for these services.

This report summarizes information at the statewide level. The Department of Technology, Management & Budget will continue to work with the legislature to meet the mutual goals of efficiently managing the statewide fleet and controlling expenditures.

## **FLEET INVENTORY**

### **FLEET DEFINITIONS**

P.A. 431 of 1984 defines the fleet in Section 213(1)(b): "motor vehicle" means a passenger vehicle, van, minibus, truck, tractor, or other motorized vehicle.

Appendix A provides a summary of the leased and agency-owned vehicles and equipment reported as of September 30, 2020. Vehicles are leased through the State's leasing vendor or purchased with state funds. Vehicles are also leased to colleges and universities at their request. Two hundred eighteen (218) vehicles leased by five universities are included in the total fleet inventory.

Data has been organized by national fleet classifications defined by the National Association of Fleet Administrators (NAFA). These classifications include on-road and off-road vehicles, non-self-propelled equipment, and heavy equipment. Using the broadest definition of “motorized vehicles,” the total state fleet includes 13,195 vehicles and units of equipment broken down to 9,105 leased vehicles (managed by VTS) and 4,090 agency-owned vehicles and heavy equipment.

Vehicles are classified as follows:

On road vehicles	8,788
Off road vehicles	274
Non-self-propelled equipment	<u>43</u>
Leased Total	9,105
Agency-Owned Total	<u>4,090</u>
Grand Total	13,195

### **FLEET MANAGEMENT**

Between September 30, 2019, and September 30, 2020, the leased fleet size increased by 24 vehicles.

The effect of remote work by state employees due to the COVID-19 pandemic is evident in decreased travel during the second half of fiscal year 2020. Personal mileage reimbursement, fuel consumption, and miles traveled all decreased over FY2019.

### **INFORMATION SHARING WITH DEPARTMENTS**

To assist departments in managing their fleet needs, DTMB VTS meets quarterly with each department’s fleet coordinator and provides a detailed report which includes high and low mileage vehicles, vehicle order status, motor pool usage, accidents, personal mileage reimbursement, and maintenance reports. Using this data, VTS and the department’s fleet coordinator can identify mileage patterns and vehicle usage to help determine if vehicles are fully utilized. The review also focuses on excessive maintenance costs and personal mileage reimbursement that could be reduced by use of a fleet vehicle.

### **MOTOR POOL OPERATIONS**

DTMB VTS maintains central motor pools to meet the needs of state employees requiring vehicles for short-term trips of 14 days or less. These are in Detroit, Escanaba, Flint, Grand Rapids, Lansing, the State Secondary Complex and Traverse City. DTMB VTS motor pool size and usage is monitored monthly to ensure efficient utilization.

Three hundred two (302) vehicles are maintained in the VTS motor pools. Data on motor pool usage is provided below:

Motor Pool Location	Number of Trips (FY2020)	Miles Driven (FY2020)
Detroit	3,459	375,299
Downtown Lansing	4,339	1,032,869
Escanaba	811	98,684
Flint	8,705	487,844
Grand Rapids	1,345	191,750
State Secondary Complex	1,178	330,821
Traverse City	1,912	154,283

Departments are encouraged to establish motor pools to facilitate sharing of assigned vehicles within their own departments.

### **PERSONAL VEHICLE USAGE**

When in the best interest of the state, an employee may use a personal vehicle as an alternative to a state-owned vehicle. The employee reimbursement for premium mileage is the IRS standard mileage rate in effect during the fiscal year. In FY20, the rate was \$0.575 per mile. The average per mile cost of a midsize state vehicle is used to set the standard mileage reimbursement rate. The FY20 standard mileage reimbursement rate was \$0.34 per mile.

The FY2020 cost of personal mileage reimbursement for executive branch agencies was \$3,686,275, representing 8,928,379 miles traveled and a \$2,680,560 decrease from FY2019. Premium mileage reimbursements decreased 39% while standard mileage reimbursements decreased by 55%. Vehicle consultants regularly provide data to the departments identifying when it may be more economical to assign a state vehicle to an employee than to pay reimbursement.

### **ESTABLISHMENT OF VEHICLE TYPE TO MATCH JOB REQUIREMENT**

A key to reducing costs is the alignment of the type of vehicle needed with the actual job performed. Departments are asked not to identify specific desired makes and models but to define the functional need to be met by an assigned vehicle. An in-depth analysis of job specifications is completed which allows vehicle assignment based on these defined functional needs rather than vehicle models. DTMB VTS and the agency identify the most cost-effective solution.

### **TOTAL COST OF VEHICLE OWNERSHIP**

Vehicle selections are made based on manufacturers' ordering cycles, availability of appropriate models from manufacturers, and total cost of ownership. The total cost of ownership over the life of the vehicle is calculated based on the vehicle acquisition cost, maintenance costs, expected mileage and fuel costs, and projected resale value.

### **DRIVER ACCOUNTABILITY**

DTMB VTS conveys its expectations related to vehicle use through driver agreements, email communications, and the department vehicle coordinators. Driver agreements

outline the responsibilities of drivers who use state vehicles and equipment and are required to be signed by each driver and maintained in their personnel file.

## **ALTERNATIVES TO TRAVEL**

DTMB VTS continues to work with departments to identify and encourage alternatives to travel for meetings and training. DTMB conferencing and collaboration tools allow employees to work together in real time without face-to-face interactions, reducing travel costs. Current statewide conferencing and collaboration tools include Microsoft Teams, other audio and video conferencing platforms, and streaming media.

## **FUEL**

### **ALTERNATIVE FUEL**

The State currently has 5,685 flex fuel vehicles, capable of operating on either unleaded gasoline or E85 (85% ethanol, 15% gasoline). This is a decrease of 463 E85 vehicles from 2019 due to elimination of that option by the manufacturers. In FY2020, the State purchased 20,982 gallons of E85 for the leased fleet as compared to 28,061 gallons in FY2019. Total usage may be understated because of inaccurate reporting by retail fuel sites and limited product availability statewide. Efforts to promote awareness of E85 continue, although pricing has not been competitive. According to the U.S. Department of Energy, 233 commercial fueling sites in Michigan currently sell E85.

In FY2020, approximately 9,515 gallons of B20 (20% biodiesel, 80% diesel) fuel were purchased for use in the state fleet from the bulk fueling location at VTS's State Secondary Complex compared to 16,197 gallons in FY2019. Data is unavailable for purchases at retail outlets due to merchant reporting inconsistencies.

Federal Energy Policy Act legislation requires that 75% of the State's non-law enforcement, light duty vehicle fleet is comprised of flex fuel vehicles and that alternative fuels are utilized when they are reasonably available and reasonably priced. Credits for use of biodiesel may be combined with vehicle purchases to meet federal requirements. The State has complied with federal requirements in FY2020 and anticipates it will meet these targets again in FY2021.

### **FUEL CONSUMPTION**

In FY2020, the State's leased fleet utilized 6,311,272 gallons of fuel, traveling 101,358,845 miles. That represents a 13% reduction in gallons of fuel and a 21% decrease in miles travelled over FY19.

### **FUEL TAXES**

By utilizing a fuel card provider, the State can purchase fuel exempt from federal excise taxes and state taxes. In FY2020, the State saved a total of \$3,247,561 on its purchases: \$1,166,396 in federal taxes, \$415,868 in state sales taxes, and \$1,665,297 in state excise taxes.

## **FLEET GARAGE OPERATIONS**

DTMB VTS maintains one fleet garage at the State's Secondary Complex in Dimondale. The garage is staffed by 23 full-time employees and is supplemented, when needed, by temporary employees. This report does not include information related to the MDOT garages as that information is maintained by MDOT.

### **GARAGE SERVICES**

The VTS garage is authorized by the Detroit automotive manufacturers as a new car prep center. In addition, the garage provides full maintenance and repair services except for engine and transmission overhauls and body repairs. VTS mechanics are ASE- (Automotive Service Excellence) or state-certified. The garage maintains a parts department, including tires, push bars, lights and other specialized equipment needed by the Michigan State Police and Department of Natural Resources law enforcement vehicles. Many of these parts are not readily available at retail service centers, and the state is able to purchase parts at a sizeable discount from retail. Additional services provided by the VTS garage include new car vehicle prep, maintenance of MSP precision driving unit vehicles, and management of vehicle resale and disposal functions.

In FY2020, the garage provided the following services:

Type of Service	Count of Jobs
Preventive Maintenance	1,679
Tires	2,853
Brakes	1,372
Body and Glass	1,735
Miscellaneous Repairs	4,554
Assignments/Terminations/Disposals	10,590
Parts Repair/Parts Distribution	44
Towing Service and Transport	203
<b>TOTAL</b>	<b>23,030</b>

### **GARAGE EXPENDITURES**

In FY2020, VTS garage expenditures were \$3.9 million.

### **ADDITIONAL INFORMATION**

Additional information is available by contacting:

Sherri Irwin  
Director, Fleet Operations  
Office of Support Services  
517-636-5600



# APPENDIX A

## LEASED AND AGENCY – OWNED COMBINED INVENTORY SUMMARY SEPTEMBER 30, 2020

Vehicle Class	Group	Total
On Road	Automobile	3,447
	BUS	17
	Cycles	22
	Light Vehicles	10
	Pickups	1,806
	Sport Utility	1,899
	Straight Trucks	280
	Truck Tractors	26
	Van	1,281
<b>On Road Total</b>		<b>8,788</b>
Off Road	Grounds	19
	Light Vehicles	198
	Material Handling	28
	Public Works	8
	Tracked	7
	Wheeled	14
<b>Off Road Total</b>		<b>274</b>
Non-Self-Propelled	Semi-Trailer	2
	Trailer	41
<b>Non-Self-Propelled Total</b>		<b>43</b>
<b>Leased Total</b>		<b>9,105</b>
<b>Agency-Owned Total</b>		<b>4,090</b>
<b>Grand Total</b>		<b>13,195</b>

# STATE LEASED FLEET BY DEPARTMENT

September 30, 2020

Agency	Group	Total
Agriculture & Rural Development	Automobile - Coupes, Sedans	146
	Pickup - Compact - 1 Ton	47
	Straight Trucks - Service, Delivery, Tow Trucks	2
	SUV - Compact - 1 Ton	45
	Trailer	1
	Van Compact - 1 Ton	19
<b>Agriculture &amp; Rural Development Total</b>		<b>260</b>
Attorney General	Automobile - Coupes, Sedans	21
	SUV - Compact - 1 Ton	23
	Van Compact - 1 Ton	2
<b>Attorney General Total</b>		<b>46</b>
Auditor General	Automobile - Coupes, Sedans	2
<b>Auditor General Total</b>		<b>2</b>
Civil Rights	Automobile - Coupes, Sedans	5
<b>Civil Rights Total</b>		<b>5</b>
Civil Service	Automobile - Coupes, Sedans	1
<b>Civil Service Total</b>		<b>1</b>
Corrections	ATVs, Elec Carts, Snowmobile	181
	Automobile - Coupes, Sedans	142
	Bus	10
	Forklifts, Man Lifts	11
	GEM Electric Vehicle	7
	Heavy Duty Trucks, Semi Tractors	13
	Loaders\Graders\Backhoes	4
	Pickup - Compact - 1 Ton	158
	Straight Trucks - Service, Delivery, Tow Trucks	77
	SUV - Compact - 1 Ton	43
	Tractors - Utility & Riding Mowers	4
	Trailer	20
	Van Compact - 1 Ton	303
<b>Corrections Total</b>		<b>973</b>

# STATE LEASED FLEET BY DEPARTMENT

September 30, 2020

Agency	Group	Total
Eastern Michigan University	Pickup - Compact - 1 Ton	13
	Straight Trucks - Service, Delivery, Tow Trucks	6
	SUV - Compact - 1 Ton	1
	Van Compact - 1 Ton	27
<b>Eastern Michigan University Total</b>		<b>47</b>
Education	Automobile - Coupes, Sedans	29
	Pickup - Compact - 1 Ton	1
	SUV - Compact - 1 Ton	2
	Van Compact - 1 Ton	5
<b>Education Total</b>		<b>37</b>
Environment, Great Lakes, and Energy	ATVs, Elec Carts, Snowmobile	1
	Automobile - Coupes, Sedans	39
	Dozers, Excavators	2
	Loaders\Graders\Backhoes	1
	Pickup - Compact - 1 Ton	58
	Straight Trucks - Service, Delivery, Tow Trucks	9
	SUV - Compact - 1 Ton	45
	Trailer	3
	Van Compact - 1 Ton	26
<b>Environment, Great Lakes, and Energy Total</b>		<b>184</b>
Executive Office	Automobile - Coupes, Sedans	2
	SUV - Compact - 1 Ton	2
<b>Executive Office Total</b>		<b>4</b>
Health & Human Services	ATVs, Elec Carts, Snowmobile	4
	Automobile - Coupes, Sedans	1,166
	Bus	2
	Forklifts, Man Lifts	3
	Loaders\Graders\Backhoes	2
	Pickup - Compact - 1 Ton	28
	Straight Trucks - Service, Delivery, Tow Trucks	10
	SUV - Compact - 1 Ton	147
	Tractors - Utility & Riding Mowers	9
	Van Compact - 1 Ton	196
<b>Health &amp; Human Services Total</b>		<b>1,567</b>
House of Representatives	Van Compact - 1 Ton	1
<b>House of Representatives Total</b>		<b>1</b>

# STATE LEASED FLEET BY DEPARTMENT

September 30, 2020

Agency	Group	Total
Insurance & Financial Service	Automobile - Coupes, Sedans	36
	SUV - Compact - 1 Ton	1
<b>Insurance &amp; Financial Service Total</b>		<b>37</b>
Labor and Economic Opportunity	Automobile - Coupes, Sedans	184
	Pickup - Compact - 1 Ton	13
	Straight Trucks - Service, Delivery, Tow Trucks	1
	SUV - Compact - 1 Ton	58
	Van Compact - 1 Ton	59
<b>Labor and Economic Opportunity Total</b>		<b>315</b>
Lake Superior State University	Automobile - Coupes, Sedans	8
	Van Compact - 1 Ton	5
<b>Lake Superior State University Total</b>		<b>13</b>
Legislative Service Bureau	Straight Trucks - Service, Delivery, Tow Trucks	1
	Van Compact - 1 Ton	1
<b>Legislative Service Bureau Total</b>		<b>2</b>
Licensing & Regulatory Affairs	Automobile - Coupes, Sedans	306
	Pickup - Compact - 1 Ton	29
	Straight Trucks - Service, Delivery, Tow Trucks	1
	SUV - Compact - 1 Ton	90
	Van Compact - 1 Ton	18
<b>Licensing &amp; Regulatory Affairs Total</b>		<b>444</b>
Lottery	Automobile - Coupes, Sedans	20
	SUV - Compact - 1 Ton	12
	Van Compact - 1 Ton	64
<b>Lottery Total</b>		<b>96</b>
Michigan Economic Development Corp	Automobile - Coupes, Sedans	8
	SUV - Compact - 1 Ton	7
	Van Compact - 1 Ton	1
<b>Michigan Economic Development Corp Total</b>		<b>16</b>
Michigan Gaming Control Board	Automobile - Coupes, Sedans	15
	SUV - Compact - 1 Ton	7
	Van Compact - 1 Ton	2
<b>Michigan Gaming Control Board Total</b>		<b>24</b>
Michigan Land Bank	SUV - Compact - 1 Ton	1
<b>Michigan Land Bank Total</b>		<b>1</b>

# STATE LEASED FLEET BY DEPARTMENT

September 30, 2020

Agency	Group	Total
Michigan State Housing Development	Automobile - Coupes, Sedans	5
	Pickup - Compact - 1 Ton	4
	Van Compact - 1 Ton	1
<b>Michigan State Housing Development Total</b>		<b>10</b>
Military & Veteran Affairs	ATVs, Elec Carts, Snowmobile	1
	Automobile - Coupes, Sedans	6
	Bus	3
	Dozers, Excavators	1
	Loaders\Graders\Backhoes	2
	Pickup - Compact - 1 Ton	84
	Straight Trucks - Service, Delivery, Tow Trucks	5
	SUV - Compact - 1 Ton	3
Van Compact - 1 Ton	37	
<b>Military &amp; Veteran Affairs Total</b>		<b>142</b>
Natural Resources	ATVs, Elec Carts, Snowmobile	7
	Augers, Trenchers	8
	Automobile - Coupes, Sedans	22
	GEM Electric Vehicle	2
	Heavy Duty Trucks, Semi Tractors	8
	Loaders\Graders\Backhoes	1
	Pickup - Compact - 1 Ton	819
	Straight Trucks - Service, Delivery, Tow Trucks	105
	SUV - Compact - 1 Ton	98
	Tractors - Utility & Riding Mowers	5
	Trailer	8
	Van Compact - 1 Ton	34
<b>Natural Resources Total</b>		<b>1,117</b>
Northern Michigan University	Automobile - Coupes, Sedans	9
	SUV - Compact - 1 Ton	3
<b>Northern Michigan University Total</b>		<b>12</b>
Saginaw Valley State University	Automobile - Coupes, Sedans	7
	Pickup - Compact - 1 Ton	11
	Straight Trucks - Service, Delivery, Tow Trucks	2
	Van Compact - 1 Ton	41
<b>Saginaw Valley State University Total</b>		<b>61</b>
Senate	Van Compact - 1 Ton	2
<b>Senate Total</b>		<b>2</b>

# STATE LEASED FLEET BY DEPARTMENT

September 30, 2020

Agency	Group	Total
Secretary of State	Automobile - Coupes, Sedans	46
	Pickup - Compact - 1 Ton	2
	Straight Trucks - Service, Delivery, Tow Trucks	4
	SUV - Compact - 1 Ton	12
	Trailer	1
	Van Compact - 1 Ton	16
<b>Secretary of State Total</b>		<b>81</b>
State Capitol Historic Site	Pickup - Compact - 1 Ton	1
<b>State Capitol Historic Site Total</b>		<b>1</b>
State Police	ATVs, Elec Carts, Snowmobile	1
	Automobile - Coupes, Sedans	815
	Bus	2
	Motorcycles	22
	Pickup - Compact - 1 Ton	92
	Straight Trucks - Service, Delivery, Tow Trucks	31
	SUV - Compact - 1 Ton	1,181
	Van Compact - 1 Ton	143
<b>State Police Total</b>		<b>2,287</b>
Technology, Management & Budget	ATVs, Elec Carts, Snowmobile	3
	Automobile - Coupes, Sedans	263
	Dozers, Excavators	4
	Forklifts, Man Lifts	12
	GEM Electric Vehicle	1
	Heavy Duty Trucks, Semi Tractors	5
	Loaders\Graders\Backhoes	4
	Pickup - Compact - 1 Ton	65
	Semi-Trailer	2
	Straight Trucks - Service, Delivery, Tow Trucks	16
	SUV - Compact - 1 Ton	96
	Tractors - Utility & Riding Mowers	1
	Trailer	8
	Van Compact - 1 Ton	121
<b>Technology, Management &amp; Budget Total</b>		<b>601</b>

# STATE LEASED FLEET BY DEPARTMENT

September 30, 2020

Agency	Group	Total
Transportation	Automobile - Coupes, Sedans	134
	Forklifts, Man Lifts	2
	Pickup - Compact - 1 Ton	361
	Straight Trucks - Service, Delivery, Tow Trucks	1
	Van Compact - 1 Ton	96
<b>Transportation Total</b>		<b>594</b>
Treasury	Automobile - Coupes, Sedans	8
	SUV - Compact - 1 Ton	17
	Van Compact - 1 Ton	12
<b>Treasury Total</b>		<b>37</b>
Wayne State University	Automobile - Coupes, Sedans	2
	Pickup - Compact - 1 Ton	20
	Straight Trucks - Service, Delivery, Tow Trucks	9
	SUV - Compact - 1 Ton	5
	Van Compact - 1 Ton	49
<b>Wayne State University Total</b>		<b>85</b>
<b>Grand Total</b>		<b>9,105</b>